

November 10, 2022

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Operating Result in Q3/2022 ended on September 30, 2022 which has been reviewed by the auditor. The financial statement of the Company, as shown by equity method. The Company would like to clarify such significant changes as below,

Performance of the Company

(Unit: million Baht)

	Q3/2022	%	Q3/2021	%	Increase (Decrease)	
					Amount	%
Sales	1,992.79	99.42	2,019.26	99.44	(26.47)	(1.31)
Total revenues	2,004.40	100	2,030.68	100	(26.28)	(1.29)
Cost of Sales	1,053.38	52.86	1,034.32	51.22	19.06	1.84
Gross Profit	939.41	47.14	984.94	48.78	(45.53)	(4.62)
Selling and Administrative expenses	417.97	20.85	407.20	20.05	10.77	2.64
Profit for the period	480.69	23.98	531.53	26.17	(50.84)	(9.56)
Profit for the period (Baht)	1.07		1.18		(0.11)	(9.32)

	For the 9 month period ended 30 September 2022	%	For the 9 month period ended 30 September 2021	%	Increase (Decrease)	
					Amount	%
Sales	5,554.26	99.41	5,310.34	99.37	243.92	4.59
Total revenues	5,587.18	100	5,344.00	100	243.18	4.55
Cost of Sales	2,992.87	53.88	2,762.53	52.02	230.34	8.34
Gross Profit	2,561.39	46.12	2,547.81	47.98	13.58	0.53
Selling and Administrative expenses	1,222.51	21.88	1,182.07	22.12	40.44	3.42
Profit for the period	1,245.48	22.29	1,275.91	23.88	(30.43)	(2.38)
Profit for the period (Baht)	2.77		2.84		(0.07)	(2.46)

Remark: Percentage in Statement of comprehensive income derived from total revenues, while percentage of cost of sales and gross profit from sales

1. Operating Results

1.1 Sales Revenue

The Company recorded total sales of Baht 1,992.79 million and Baht 2,019.26 million in Q3/2022 and Q3/2021 respectively, or decreasing by 1.31%.

For the nine-month period ended September 30 2022, total sale revenue stood at Baht 5,554.26 million, or increasing by 4.59% from the same period last year.

1.2 Cost of Sales

The cost of sales of the Company in Q3/2022 stood at Baht 1,053.38 million, or increasing by 1.84% from the same quarter of 2021. The cost of sales to total sales ratio to be at 52.86% in Q3/2022, higher from 51.22% in the same quarter last year, increased production costs as a result of the price of main raw material price increase. As a result, the gross profit margin of the Company stood at 47.14% decreasing from 48.78% in the same quarter last year.

For the nine-month period ended September 30 2022, the cost of sales stood at Baht 2,992.87 million, increasing by Baht 230.34 million or 8.34% from the same period last year. As a result, the gross profit margin increased to 46.12% from 47.98% in the same period last year.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q3/2022 amounted to Baht 417.97 million, accounting for 20.85% of total revenues, increasing by 2.64% from the same quarter last year. For nine-month period ended on September 30, 2022 and 2021 the selling and administrative expenses were accounted for 21.88% and 22.12% respectively, increasing by 3.42% from the same period last year, mainly due to increasing fuel cost for transportation because the increased oil price.

1.4 Profit for the period

The Company had the profit for the period of Baht 480.69 million for the three month period ended 30 September 2022, or decreasing by 9.56% from the same period last year and recorded net profit of Baht 1,245.48 million in nine month of 2022, or decreasing by 2.38% from the same period last year due to increased production costs and selling and administrative expenses. Moreover, the Company has recognized the share of profit from investment in joint venture for the nine month period ended 30 September 2022 in the amount of Baht 4.49 million.

Financial Position of the Company

(Unit: million Baht)

	September 30, 2022	%	December 31, 2021	%	Increase (Decrease)	
					Amount	%
Total Assets	11,647.07	100	11,234.20	100	412.87	3.68
Total Liabilities	1,171.94	10.06	1,093.73	9.74	78.21	7.15
Shareholders' Equity	10,475.13	89.94	10,140.47	90.26	334.66	3.30
Total Liabilities and Shareholders' Equity	11,647.07	100	11,234.20	100	412.87	3.68

2. Financial Position

2.1 Assets

The total assets of the Company as of September 30, 2022 amounted to Baht 11,647.07 million, increasing by Baht 412.87 million from December 31, 2021. Main asset of the Company comprised of current assets by 52.73% of total assets and non-current assets by 47.27% of total assets. The increase in current assets resulted from increasing cash and cash equivalents by Baht 920.68.

The trade and other receivables of the Company accounted for 5.31% of total assets, decreasing by Baht 252.29 million from December 31, 2021 because the most of account receivables were paid on due.

2.2 Liabilities

The liabilities of the Company as of September 30, 2022 totaled to Baht 1,171.94 million, accounting for 10.06% of total Liabilities and Shareholders' Equity and increasing by 7.15%, which compared to as of December 31, 2021. The debt to equity ratio of the Company was at 0.11 times equal as of December 31, 2021.

2.3 Shareholders' Equity

The Shareholders' Equity of the Company as of September 30, 2022 amounted to Baht 10,475.13 million, accounting for 89.94% of Liabilities and Shareholders' Equity and increasing by Baht 334.66 million from December 31, 2021. As a result, the book value of the Company stood at 23.28 Baht per share, increasing from 22.53 Baht per share in 2021.

3. Liquidity Position

The net cash from operating activities of the Company in nine-month period ended on September 30, 2022 amounted to Baht 1,760.05 million, increasing by Baht 55.84 million or by 3.28% from the previous year.

The net cash used for investing activities, decreasing by Baht 521.86 million, mostly due to the decreased in investment in financial assets from the same period last year.

The cash used in financing activities was at Baht 871.60 million, mostly dividend payment amount of Baht 864 million.

As a result, the Company recorded cash and cash equivalents of Baht 1,310.45 million as of September 30, 2022, increasing by Baht 920.68 million from the same period last year.

As of September 30, 2022, the Company maintained the current ratio at 5.76, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 36 days, and the average days of debt repayment was at 72 days. As a result, the cash cycle of the Company was at 35 days.

This is to be informed for your acknowledgement

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(Ms. Petcharat Anantawichai)

Director and Senior Management Accounting Department
and Finance Department Manager
Company Secretary